

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7321**

**BILL NUMBER:** HB 1469

**NOTE PREPARED:** Jan 12, 2009

**BILL AMENDED:**

**SUBJECT:** Local Government Boards.

**FIRST AUTHOR:** Rep. Pelath

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** *Joint Department of Public Sanitation and Waterworks-* The bill provides that in a second class city located in a county having a population of more than 110,000 but less than 115,000, the department of public sanitation may be combined with the department of waterworks to establish a single department of public sanitation and waterworks. The bill specifies that the department of public sanitation and waterworks may be established only if the board of sanitary commissioners, the board of directors of the department of waterworks, and the city fiscal body each adopt resolutions agreeing to the establishment of the department of public sanitation and waterworks. The bill specifies that the department of public sanitation and waterworks is under the control of a combined public sanitation-waterworks board.

This bill requires the resolutions agreeing to the establishment of a combined public sanitation-waterworks board to specify the following: (1) The date on which the department of public sanitation and the department of waterworks are combined. (2) The number and the terms of members of the combined board. (3) The appointing authority for members of the combined board. (4) The standards for removal of a member of the combined board. (5) Any residency requirements or other eligibility requirements to serve on the combined board. (6) The amount and source of any compensation for members of the combined board. (7) Any procedural rules or quorum requirements that apply to the combined board. The bill specifies that the department of public sanitation and waterworks has the powers, duties, and responsibilities of the department of sanitation and the department of waterworks before those departments are combined. The bill provides that: (1) all property, assets, debt, liabilities, agreements, and contracts of the board of sanitary commissioners and the board of directors of the department of waterworks are transferred to and assumed by the combined board; and (2) all policies, rates, rules, and regulations of the department of public sanitation and the department of waterworks become the policies, rates, rules, and regulations of the department of public sanitation and waterworks.

*Joint Port Authority and Park/Recreation Board-* The bill provides that in a municipality that borders Lake Michigan, the board of directors of the port authority may be combined with the park and recreation board to establish a joint port authority and park and recreation board ("joint board"). The bill specifies that a joint board may be established only if the municipal fiscal body, the board of directors of the port authority, and the park and recreation board each adopt resolutions agreeing to the establishment of the joint board. The bill requires the resolutions agreeing to the establishment of a joint board to specify the following: (1) The date on which the board of directors of the port authority and the park and recreation board are abolished and are replaced by the joint board.

(2) The number and the terms of members of the joint board. (3) The appointing authority for members of the joint board. (4) The standards for removal of a member of the joint board. (5) Any residency requirements or other eligibility requirements to serve on the joint board. (6) The amount and source of any compensation for members of the joint board. (7) Any procedural rules or quorum requirements that apply to the joint board. It specifies that the joint board has the powers, duties, and responsibilities of a board of directors of a port authority and the powers, duties, and responsibilities of a municipal park and recreation board. The bill provides that all property, assets, debt, liabilities, agreements, and contracts of the board of directors of the port authority and the park and recreation board are transferred to and assumed by the joint board.

**Effective Date:** July 1, 2009.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** *Summary-* The bill would have an indeterminable impact to local expenditures. Presumably, if boards are combined there would be a possibility for expenditure savings. However, the number of and salary for joint board members would be determined by local ordinance/resolution. All assets, debt, liabilities, agreements, rates, and contracts of the current boards and authorities would be assumed by the successor joint boards.

*Background Information-* The following table illustrates Michigan City's Sanitary and Park & Recreation Budget from 2007. (Most recent approved budgets by the State Board of Accounts)

Fund	Certified Budget	Certified Levy	Certified Tax Rate
Special Sanitary (General)	\$425,000	\$309,741	0.0188
Special Sanitary (Refuse)	\$2,797,869	\$1,982,015	0.1203
Special Sanitary (Debt Service)	\$2,211,000	\$484,383	0.0294
Park and Recreation	\$2,435,320	\$1,716,557	0.1081
<b>Total</b>	<b>\$7,869,189</b>	<b>\$4,492,696</b>	

The following table is the 2009 budget approved by local council or board.

<b>Fund</b>	<b>Certified Budget</b>
Special Sanitary (General)	\$150,000
Special Sanitary (Refuse)	\$2,915,598
Special Sanitary (Debt Service)	N/A*
Park Administration	\$542,162
Park Maintenance	\$1,189,263
Senior Center	\$120,548
Park Concessions	\$108,468
Recreation	\$282,845
Park Zoo	\$698,282
<b>Total</b>	<b>\$6,007,166</b>
<b>*Either not available or not appropriated.</b>	

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:** Michigan City Departments of Sanitation and Waterworks; port authorities and park and recreation boards of municipalities bordering Lake Michigan.

**Information Sources:** Michigan City, Office of City Controller, 219-873-1404.

**Fiscal Analyst:** Chris Baker, 317-232-9851.